GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:2371
ANSWERED ON:15.12.2008
RURAL GODOWNS
Singh Shri Dushyant

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Government has taken a policy decision to promote rural godowns in various States;

(b) if so,the details thereof, State-wise during the last three years and the current year;

(c) whether the private participation has been encouraged in this regard; and

(d) if so,the incentives given/proposed to be given for the purpose?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE(SHRI KANTI LAL BHURIA)

(a): Yes, Sir.

(b): The Ministry of Agriculture is implementing a Central Sector Scheme of Construction of Rural Godowns namely "Grameen Bhandaran Yojana" since 1/4/2001 to meet out the various requirements of farmers for storing farm produce, processed farm produce, agricultural inputs, etc., and prevention of distress sale by creating the facility of pledge loan and marketing credit.. Subsidy under the scheme is linked to institutional credit and will be available to only such projects as are financed by Commercial Banks, Regional Rural Banks, State Cooperative Banks (SCBs), State Co-operative Agricultural and Rural Development Bank (SCARDBs), Agricultural Development Finance Companies (ADFCs), North Eastern Development Finance Corporation (NEDFI), Urban Cooperative Banks etc. Loan to the entrepreneurs from banks for the construction of godowns would carry an adequate long-term repayment period.

Assistance under the scheme is available on capital cost of construction of godown including the cost of allied facilities like boundary wall, internal road, platform, internal drainage system, weighing, grading, packaging, quality certification, warehousing facilities which are functionally required to operate the godown.

Under the scheme, the credit linked back-ended subsidy is provided as under:

(i) 33.33% of the capital cost of the project in case of projects located in North−Eastern States, hilly areas and those belonging to Women Farmers/ their self help groups/co-operatives and Scheduled Caste /Scheduled Tribe entrepreneurs and their Co-operatives subject to a maximum ceiling on subsidy of Rs.62.50 lakh.No maximum ceiling on subsidy in the case of cooperatives assisted by National Cooperative Development Corporation (NCDC);

(ii) 25% of the capital cost of the project to all categories of farmers (other than Women Farmers) agriculture graduates, cooperatives and State/ Central Warehousing Corporations subject to a maximum ceiling on subsidy of Rs. 46.875 lakh.No maximum ceiling on subsidy in the case of cooperatives assisted by NCDC;

(iii) 15% of the capital cost of the project to all other categories of individuals, companies & corporations etc., subject to a maximum ceiling on subsidy of Rs. 28.125 lakh;and

(iv) 25% of the capital cost of the project for renovation of godowns of cooperatives with assistance from NCDC.

The Scheme is demand driven and applicable to all States and Union Territories and no State-wise targets are fixed.

Since the inception of the scheme and upto 31st October, 2008, 19344 storage projects with a capacity of 235.46 lakh MTs and a subsidy release of Rs. 523.67 crores have been sanctioned by National Bank for Agriculture and Rural Development and National Cooperative Development Corporation. The details of the projects sanctioned during the last three years and upto 31-10-2008 are given in the enclosed Annexure I to IV.

(c): Yes,Sir.

(d): The private entrepreneurs are also eligible to avail subsidy @15%, 25% and 33.33% depending upon the category of entrepreneur and the location of the project.